

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26; MSA 22.45.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ Laura Chappelle

Chairman

(S E A L)

/s/ David A. Svanda

Commissioner

/s/ Robert B. Nelson

Commissioner

By its action of August 16, 2001.

/s/ Dorothy Wideman

Its Executive Secretary

Heritage Supplemental Reply Affidavit – Attachment B

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)	
United Telecom, Inc.)	
for a license to provide basic local)	
exchange service throughout the State of Michigan)	Case No. U-12928
in the zone and exchange areas served)	
by Ameritech Michigan, Verizon North Incorporated,)	
Verizon North Systems, CenturyTel of Michigan, Inc.,)	
CenturyTel of Northern Michigan, Inc.,)	
CenturyTel Midwest, Inc., and)	
CenturyTel of the Upper Peninsula, Inc.)	
<hr/>		

DIRECT TESTIMONY OF SCOTT A. BALDWIN

- 1 **Q. Please state your name and business address.**
- 2 **A. Scott A. Baldwin, 11150 Bridle Path, Alanson, MI 49706.**
- 3
- 4 **Q. What is your position with the Applicant?**
- 5 **A. I am the President of United Telecom, Inc. (hereinafter "UTI").**
- 6
- 7 **Q. What are your principal responsibilities with UTI?**
- 8 **A. I am responsible for the overall operations of the company.**
- 9
- 10 **Q. What is the purpose of your testimony in this proceeding?**
- 11 **A. I am offering testimony in support of the UTI's Application for a license to provide basic**
- 12 **local exchange service throughout the state of Michigan in the zone and exchange areas**
- 13 **in which Ameritech Michigan, Verizon North Incorporated, Verizon North Systems,**

Direct Testimony of Scott A. Baldwin
On behalf of United Telecom, Inc.
MPSC Case No. U-12928
Page 4 of 10

1 Q. Please describe UTI's managerial and technical qualifications.

2 A. UTI possesses the requisite managerial qualifications to provide its proposed local
3 exchange telecommunications services. Descriptions of the telecommunications and
4 managerial experience of Applicant's key personnel, who have extensive management,
5 financial, and technical experience, is attached hereto as Exhibit SAB-2 (A-___). UTI is
6 technically qualified to provide the proposed services in the State of Michigan. UTI's
7 management personnel are well qualified to execute its business plan, having extensive
8 managerial, financial, and technical telecommunications experience as described in
9 Exhibit SAB-2 (A-___).

10

11 Q. In your opinion, does UTI possess sufficient managerial and technical resources and
12 qualifications to provide all of the services requested in its Application to provide
13 local exchange services in Michigan?

14 A. Yes. The senior management of UTI has great depth in the telecommunications industry
15 and offers extensive technical and managerial expertise to UTI pertaining to the
16 telecommunications business.

17

18 Q. Please outline the Applicant's financial qualifications.

19 A. UTI is financially qualified to possess a license to provide basic local exchange service.
20 In particular, UTI has access to the financing and capital necessary to conduct its
21 telecommunications operations as specified in this Application. UTI has the financial
22 support necessary to procure, install and operate facilities on a resold basis and to hire

Direct Testimony of Scott A. Baldwin
On behalf of United Telecom, Inc.
MPSC Case No. U-12928
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1 and train the personnel necessary to operate those facilities. UTI's financial strength and
2 ability to offer the above service is demonstrated in UTI's Balance Sheet as of February
3 28, 2001, a copy of which is attached hereto as confidential Exhibit SAB-3 (A-____).
4 Because UTI is a privately held corporation, its financial information is confidential and
5 filed under seal.

6
7 Q. In your opinion, does UTI have adequate access to the capital necessary to provide
8 the proposed local exchange services in Michigan?

9 A. Yes, it does.

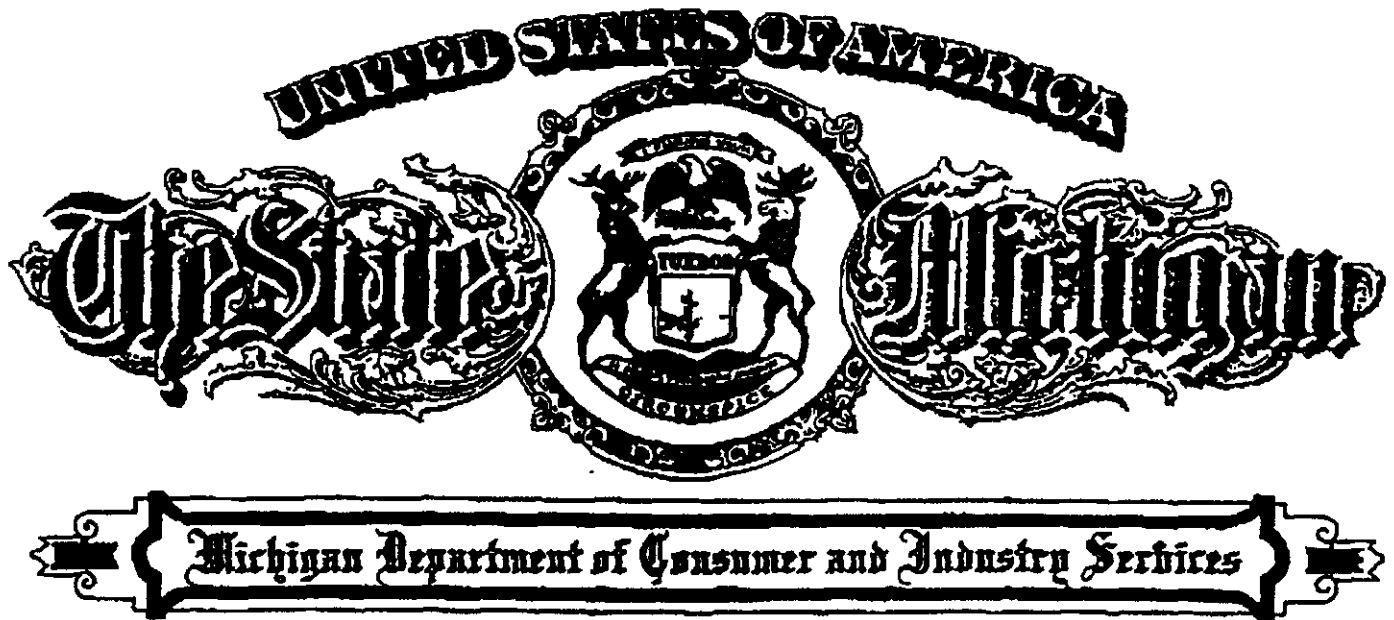
10

11 Q. Does UTI's Application and proposed tariff contain an accurate description of the
12 types of services that it will offer in Michigan?

13 A. Yes. The Application and its UTI's illustrative tariff (attached hereto as Exhibit SAB-5
14 (A-____)) accurately describe the types of services that UTI will offer in Michigan. UTI
15 plans to provide resold and facilities-based local exchange and exchange access services.
16 These services include, but will not be limited to:

- 17 • Basic Residential Exchange Services (Local Exchange Flat Rate,
18 Measured Rate Service, Operator Access);
- 19 • Basic Business Exchange Services;
- 20 • Business and Residential Ancillary Services (9-1-1, E9-1-1, 4-1-1, Relay
21 Service, directory listing, directory assistance, etc.);
- 22 • Centrex;

Heritage Supplemental Reply Affidavit – Attachment C



Lansing, Michigan

This is to Certify That

UNITED TELECOM, INC.

was validly incorporated on September 1, 2000, as a Michigan profit corporation, and said corporation is validly in existence under the laws of this state.

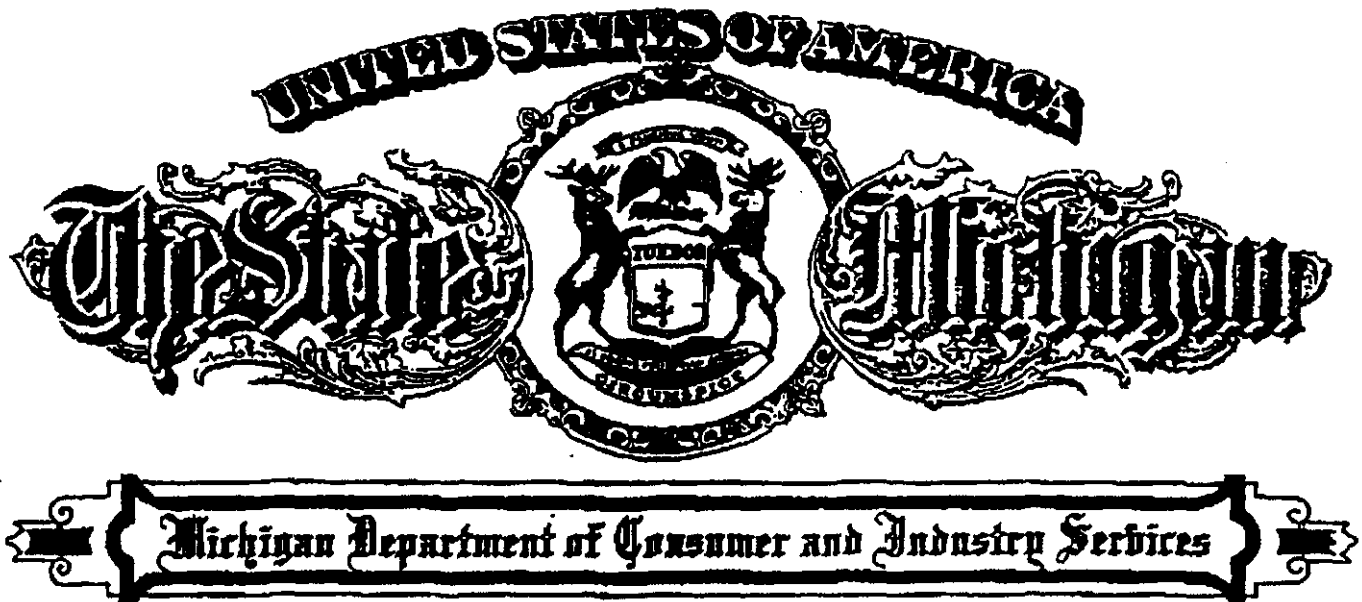
This certificate is issued to attest to the fact that the corporation is in good standing in Michigan as of this date and is duly authorized to transact business or conduct affairs in Michigan and for no other purpose.

This certificate is in due form, made by me as the proper officer, and is entitled to have full faith and credit given it in every court and office within the United States.

In testimony whereof, I have hereunto set my hand, in the City of Lansing, this 23rd day of April, 2001

Andrew S. Mettelf , Director

Bureau of Commercial Services



Lansing, Michigan

This is to Certify that the annexed copy has been compared by me with the record on file in this Department and that the same is a true copy thereof.

This certificate is in due form, made by me as the proper officer, and is entitled to have full faith and credit given it in every court and office within the United States.

In testimony whereof, I have hereunto set my hand, in the City of Lansing, this 23rd day of April, 2001

Andrew S. Mitchell, Director
Bureau of Commercial Services

MICHIGAN DEPARTMENT OF CONSUMER & INDUSTRY SERVICES CORPORATION AND LAND DEVELOPMENT BUREAU	
Date Received SEP 01 2000	(FOR BUREAU USE ONLY)
This document is effective on the date filed, unless a subsequent effective date within 90 days after received date is entered in the document.	
FILED SEP 01 2000 Administrator CORP. SECURITIES & LAND DEV. BUREAU	
517-663-2525 Ref # <u>06406</u> Attn: Cheryl J. Birby MICHIGAN RUNNER SERVICE P.O. Box 266 Eaton Rapids, MI 48827 Zip Code _____	
EFFECTIVE DATE: _____	

Document will be returned to the name and address you enter above.
 If left blank document will be mailed to the registered office.

342-23A

ARTICLES OF INCORPORATION
 For use by Domestic Profit Corporations
 (Please read information and instructions on the last page)

Pursuant to the provisions of Act 284, Public Acts of 1972, the undersigned corporation executes the following Articles:

ARTICLE I

The name of the corporation is:
 United Telecom, Inc.

ARTICLE II

The purpose or purposes for which the corporation is formed is to engage in any activity within the purposes for which corporations may be formed under the Business Corporation Act of Michigan.
 Telecommunications services

ARTICLE III

The total authorized shares:

- Common Shares 10,000
 Preferred Shares _____
- A statement of all or any of the relative rights, preferences and limitations of the shares of each class is as follows:

62.50 AC CC 102421

ARTICLE IV

1. The address of the registered office is:

3036 W. 12 Mile Road, Suite 100, Berkley

Michigan

48072

(Street Address)

(City)

(ZIP Code)

2. The mailing address of the registered office, if different than above:

(Street Address or P.O. Box)

(City)

Michigan

(ZIP Code)

3. The name of the resident agent at the registered office is: TCS Corporate Services, Inc.

ARTICLE V

The name(s) and address(es) of the incorporator(s) is (are) as follows:

Name

Residence or Business Address

Scott Baldwin

11155 Bridle Path, Alanson, MI 49706

ARTICLE VI (Optional. Delete if not applicable)

When a compromise or arrangement or a plan of reorganization of this corporation is proposed between this corporation and its creditors or any class of them or between this corporation and its shareholders or any class of them, a court of equity jurisdiction within the state, on application of this corporation or of a creditor or shareholder thereof, or on application of a receiver appointed for the corporation, may order a meeting of the creditors or class of creditors or of the shareholders or class of shareholders to be affected by the proposed compromise or arrangement or reorganization, to be summoned in such manner as the court directs. If a majority in number representing 3/4 in value of the creditors or class of creditors, or of the shareholders or class of shareholders to be affected by the proposed compromise or arrangement or a reorganization, agree to a compromise or arrangement or a reorganization of this corporation as a consequence of the compromise or arrangement, the compromise or arrangement and the reorganization, if sanctioned by the court to which the application has been made, shall be binding on all the creditors or class of creditors, or on all the shareholders or class of shareholders and also on this corporation.

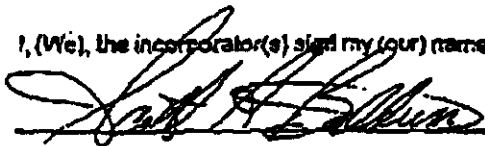
ARTICLE VII (Optional. Delete if not applicable)

Any action required or permitted by the Act to be taken at an annual or special meeting of shareholders may be taken without a meeting, without prior notice, and without a vote, if consents in writing, setting forth the action so taken, are signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all shares entitled to vote on the action were present and voted. The written consents shall bear the date of signature of each shareholder who signs the consent. No written consents shall be effective to take the corporate action referred to unless, within 60 days after the record date for determining shareholders entitled to express consent to or to dissent from a proposal without a meeting, written consents dated not more than 10 days before the record date and signed by a sufficient number of shareholders to take the action are delivered to the corporation. Delivery shall be to the corporation's registered office, its principal place of business, or an officer or agent of the corporation having custody of the minutes of the proceedings of its shareholders. Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.

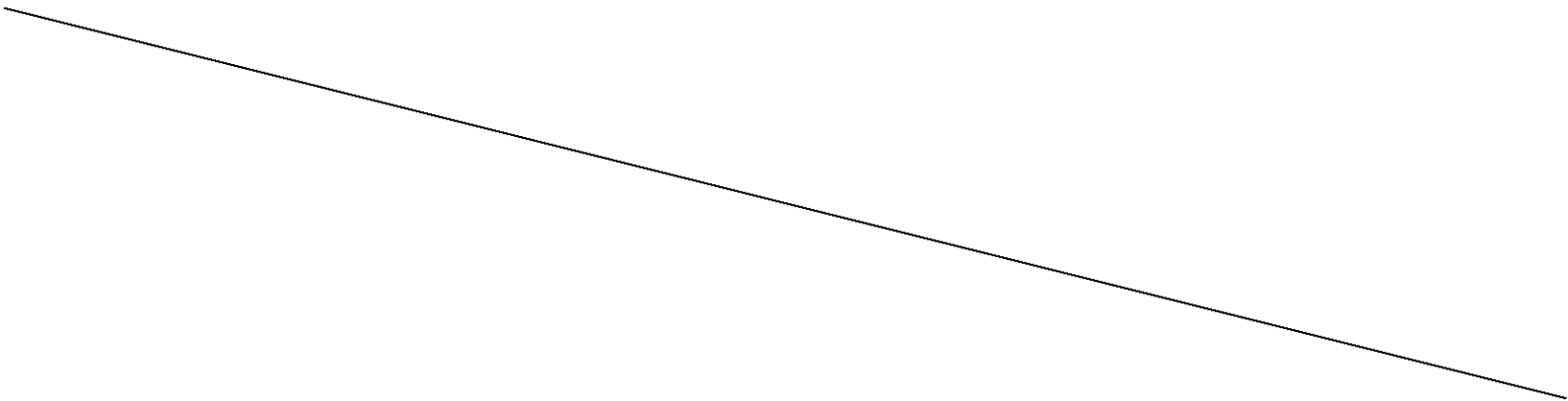
Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to shareholders who would have been entitled to notice of the shareholder meeting if the action had been taken at a meeting and who have not consented in writing.

Use space below for additional Articles or for continuation of previous Articles. Please identify any Article being continued or added. Attach additional pages if needed.

I, (We), the incorporator(s) sign my (our) name(s) this 23 day of AUGUST, 2000.



Scott Baldwin



**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Application by SBC Communications Inc.,)	
Michigan Bell Telephone Company, and)	WC Docket No. 03-138
Southwestern Bell Communications Services,)	
Inc. for Provision of In-Region, InterLATA)	
Services in Michigan)	

SUPPLEMENTAL REPLY AFFIDAVIT OF CHRISTOPHER P. NATIONS

REGARDING OPERATOR SERVICES AND DIRECTORY ASSISTANCE

I, CHRISTOPHER P. NATIONS, being of lawful age and duly sworn upon my oath, do hereby depose and state as follows:

1. My name is Christopher P. Nations. I am the same Christopher P. Nations that previously filed an affidavit in this docket on January 16, 2003, regarding Michigan Bell Telephone Company ("Michigan Bell") compliance with Section 271(c)(2)(B), items (vii)(II) and (III) of the Telecommunications Act of 1996 ("Act"), by providing nondiscriminatory access to Operator Services and Directory Assistance ("OS/DA").
2. This affidavit responds to the comments filed by the National ALEC Association/Prepaid Communications Association ("NALA"), contending that SBC Midwest fails to provide access to branding for OS/DA services in compliance with the requirements of the Act and FCC rules. Specifically, NALA complains that: 1) Michigan Bell's requirement that a CLEC either brand OS/DA services in its own name, or "unbrand" the service, is contrary to Commission policy; and 2) that SBC Michigan treats resale Competitive

Local Exchange Carriers (“CLECs”) and facilities-based CLECs “inconsistently” with regard to branding.¹ NALA is incorrect on both claims.

3. Throughout the year 2000, Michigan Bell participated in extensive collaborative sessions with CLECs and the Michigan Public Service Commission (“MPSC”) to determine Michigan Bell’s compliance with the Act’s Section 271 competitive checklist.² Two main issues related to OS/DA services arose out of the collaborative sessions: (1) the ability to uniquely brand OS/DA calls from subscribers served by resale and UNE switch-port CLECs (in addition to the branding capability already available to switch-based CLECs);³ and (2) the tariffing of wholesale OS and DA services at UNE prices.
4. Subsequent to these collaborative sessions, Michigan Bell upgraded its operator switches to make “Service Provider ID” branding available to resale and UNE-P CLECs.⁴ Michigan Bell also fully complied with the MPSC’s order requiring it to tariff OS and DA services, including branding, as UNEs at TELRIC rates. Michigan Bell thus complies with both state and federal requirements related to branding and, notably, until

1 See, generally, Comments of National ALEC Association/Prepaid Communications Association, Application of SBC Communications Inc., Michigan Bell Telephone Company, and Southwestern Bell Communications Services, Inc. for Provision of In-Region, InterLATA Services in Michigan, WC Docket No. 03-138, at 9-11 (FCC filed July 2, 2003).

2 See Affidavit of Robin M. Gleason, ¶¶ 9-16 & Att. A attached to Application of SBC Communications Inc., Michigan Bell Telephone Company, and Southwestern Bell Communications Services, Inc. for Provision of In-Region, InterLATA Services in Michigan, WC Docket No. 03-16 (FCC filed January 16, 2003) (App. A, Tab 13), for information concerning the Michigan 271 state proceedings.

3 OS/DA branding already was available to switch-based CLECs using dedicated trunking.

4 With this upgrade, Michigan Bell switches are able to identify the local service provider for each OS/DA call coming over shared trunks, and then “brand” the call with the provider’s name.

these comments were filed, neither NALA nor its member 1-800 Reconex, Inc. (“Reconex”), had complained otherwise to either Michigan Bell or the MPSC.⁵

5. CLECs electing to purchase OS and/or DA services from Michigan Bell may request either that the services be branded in the CLEC’s name, or that branding be “silent” (*i.e.*, that no name announcement be provided), in accordance with the requirements of 47 C.F.R. § 51.217(d). NALA is incorrect that Michigan Bell’s treatment of UNE-P providers and resellers with regard to branding requirements is “inconsistent.” There is no difference between the branding options available to resellers and facilities-based providers that elect to purchase SBC Midwest OS and DA services.
6. In Michigan, branding charges for facilities-based CLECs and resale CLECs differ as a result of the MPSC’s requirement that Michigan Bell tariff wholesale OS and DA services as unbundled network elements.⁶ In compliance with that order, branding is available to facilities-based CLECs at TELRIC rates, pursuant to MPSC Tariff No. 20, Part 19, §§ 7-8 (App. L, Tab 1). Branding is made available at market-based rates to both resale and facilities-based CLECs via interconnection agreement.

5 By its terms, the letter submitted as NALA Comments Attachment B seeks dispute resolution in connection with the SBC-Reconex ICA “applicable in California.” Attachment A to this affidavit is a copy of SBC’s response to the NALA letter, setting up a meeting on March 25, 2003 in compliance with the terms of the SBC’s Reconex California ICA, to “**to meet and negotiate in good faith to resolve this dispute.**” During the course of that meeting SBC explained the requirements for branding under the California ICA, and addressed many of the misunderstandings contained in the Reconex letter. In response to Reconex’s request, immediately after that meeting SBC forwarded a spreadsheet to Reconex containing the current rates contained in the 13-state Generic ICA for branding and rater-reference in California. Having complied in good faith with the dispute resolution provisions of its ICA agreement, and having heard nothing from either NALA or Reconex in connection with this pending dispute resolution for more than three months, SBC is both surprised and disappointed that NALA and Reconex have chosen to pursue this California issue in the Michigan FCC 271 proceedings.

6 See Opinion and Order, Application of Ameritech Michigan for Approval of a Shared Transport Cost Study and Resolution of Disputed Issues Related to Shared Transport, MPSC Case No. U-12622 (Mar. 19, 2001) (App. L, Tab 33).

7. Per the tariff, switch-based CLECs electing to utilize Michigan Bell wholesale OS/DA services are assessed a non-recurring branding charge per dedicated trunk group. Charges for UNE-P providers (*i.e.*, facilities-based providers using shared trunking) under tariff, and for resale CLECs under ICA, include an initial non-recurring charge for loading the CLEC's brand onto the first switch; a non-recurring, "subsequent load" charge for each additional switch; and a recurring per-call charge. These same charges apply to a request from the CLEC that OS/DA service be silent or "unbranded." NALA's claim that these charges amount to "\$4,000 per switch" is grossly exaggerated. Under the MPSC approved tariff, the branding rate for switch-based providers is \$403.64 per dedicated trunk group. For UNE-P providers, the loading charge is \$958.50 for the first switch, and \$125.40 for each subsequent switch. The loading rate for resellers is \$1,800 per initial and subsequent switch, as provided in the interconnection agreement.
8. Contrary to NALA's contention, neither the Act nor Commission rules require an incumbent LEC to allow the CLEC to "default" to the LEC's brand when the CLEC opts to purchase wholesale OS/DA services from the LEC. Given that the service provider to the subscriber is the CLEC, and that the CLEC establishes the OS/DA charges to the subscriber, it would not be appropriate for the CLEC's service to be branded as that of Michigan Bell. Rather, Commission rules make clear that, where technically feasible, branding in the CLECs name or "unbranding" is required.
9. NALA contends that because most of its members "discourage or prohibit end-users from accessing usage sensitive OS/DA services, there is no business justification for having branded OS/DA services, and SBC's policy only imposes unnecessary costs."⁷ In fact,

7 NALA Comments at 9-10.

CLECs are not required to purchase wholesale OS and/or DA services from Michigan Bell. NALA confirms that its members “generally subscribe to blocking services from SBC to restrict their subscribers’ access to usage-based services” such as collect and third-party calls.⁸ Thus, CLECs that find no cost justification in branding their OS and DA services may avoid that cost through subscription to Michigan Bell’s available SBC call blocking services – services that, according to the comments filed in this proceeding, many NALA members utilize.

10. Pursuant to Part II. E. of the Consent Decree entered into between SBC Communications Inc. and the Federal Communications Commission, released on May 28, 2002, see Order, SBC Communications, Inc., 17 FCC Rcd 10780 (2002), I hereby affirm that I have (1) received the training SBC is obligated to provide to all SBC FCC Representatives; (2) reviewed and understand the SBC Compliance Guidelines; (3) signed an acknowledgment of my training and review and understanding of the Guidelines; and (4) complied with the requirements of the SBC Compliance Guidelines.
11. This concludes my affidavit.

8 NALA Comments at 3-4.

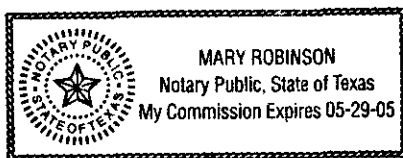
STATE OF TEXAS
COUNTY OF DALLAS

)
)
)

I declare under penalty of perjury that the foregoing is true and correct. Executed on
July 17, 2003
(date)

Christopher P. Nations
(Christopher P. Nations)

Subscribed and sworn to before me this 17th day of July, 2003.



Mary Robinson
Notary Public

Nations Supplemental Reply Affidavit – Attachment A



Debbie Josephson
Account Manager-
Industry Markets

Four SBC Plaza, 7th Floor
Dallas, TX 75202
Phone: 214-464-4438
Fax: 214-464-5150
da8575@txmail.sbc.com

March 14, 2003

VIA: Facsimile, (202) 663-8007

Tony Lin
SHAW PITTMAN LLP
2300 N Street, NW
Washington, DC 20037-1128

RE: Assessment of DA Call Branding Charges

Dear Mr. Lin,

This is in response to your letter dated March 10, 2003 regarding the Assessment of DA Call Branding Charges. We acknowledge your notice of the dispute as described within the letter.

Upon the review of portions of Reconex's Interconnection Agreement (General Terms & Conditions), SBC notes the informal dispute process, as excerpted below:

10.5 Informal Resolution of Disputes

- 10.5.1 Upon receipt by one Party of notice of a dispute by the other Party pursuant to Section 10.3 or Section 10.4.5, **each Party will appoint a knowledgeable, responsible representative to meet and negotiate in good faith to resolve any dispute arising under this Agreement.** The location, form, frequency, duration, and conclusion of these discussions will be left to the discretion of the representatives. Upon agreement, the representatives may utilize other alternative Dispute Resolution procedures such as mediation to assist in the negotiations. Discussions and the correspondence among the representatives for purposes of settlement are exempt from discovery and production and will not be admissible in the arbitration described below or in any lawsuit without the concurrence of both Parties. Documents identified in or provided with such communications that were not prepared for purposes of the negotiations are not so exempted, and, if otherwise admissible, may be admitted in evidence in the arbitration or lawsuit.

At this time, SBC appoints Jerry Gilmore as its responsible representative to meet and negotiate in good faith to resolve this dispute. Mr. Gilmore may be contacted at (214) 464-5143. To begin the informal dispute resolution process, SBC would like to conduct an initial conference call on Tuesday, March 18, 2003 at 10:00 a.m. (central time).

Prior to the date and time of the suggested conference call, SBC requests that Reconex appoint a responsible representative to meet and negotiate in good faith to resolve this dispute. In addition, please confirm that the suggested date/time of the initial conference call is agreeable with Reconex, or provide alternative dates and times if the suggested date/time is not acceptable.

SBC is considering the contents of your letter and will be prepared to discuss at the first conference call. If you have further questions or would like to discuss this matter further, please call Jerry Gilmore (214) 464-5143 or Tracy Turner (214) 464-7551.

Debbie Josephson
Account Manager-Industry Markets
(214) 464-4438

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Application by SBC Communications Inc.,)	
Michigan Bell Telephone Company, and)	WC Docket No. 03-138
Southwestern Bell Communications Services,)	
Inc. for Provision of In-Region, InterLATA)	
Services in Michigan)	

SUPPLEMENTAL REPLY AFFIDAVIT OF BERNARD EUGENE VALENTINE

REGARDING 9-1-1/E9-1-1

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ATTACHMENTS

Attachment A Accessible Letter CLECAM03-249 dated July 15, 2003

Attachment B Requirements for Line Splitting Arrangements (CLEC On-Line)